Instructions issued to Bank and Financial Institutions for speedy relief to cyclone affected people in Andhra Pradesh

91. SHRI PRABHAKAR RAO KALVALA: Will the Minister of FINANCE be pleased to state:

(a) whether any instructions have since been issued by Government to the banks and financial institution for grant of speedy relief and rehabilitation assistance to the people affected by cyclone in Andhra Pradesh during the year 1990, and

(b) what is the estimated amount of assistance so far granted by each of the financial institutions and banks to the cyclone affected people and whether recovery of agricultural loan has been deferred?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) and (b) Reserve Bank of India (RBI) had advised the scheduled commercial banks in May, 1990 to speedy extend relief and rehabilitation assistance to the persons affected by the cyclone in Andhra Pradesh. These instructions *inter-alia* envisage (i) Conversion of short term production loans into medium term loans, (ii) rescheduleement of the existing term loan instalments and (iii) provision of fresh crop/term loan. The relief by way of fresh advances or any other concession provided to any effected person for pursuing his trade/activity by banks becomes a part of their advances to that sector and no separate reporting system has been prescribed for banks by RBI for this purpose.

Borrowing from external sources

92 SHRI GURUDAS DAS GUPTA: Will the Minister of FINANCE be pleased to state:

(a) what is Government's stand on borrowing from external sources such as IMF, World Bank etc; and

(b) whether any talks were held by Government with such agencies recently and if so, the details and the outcome thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) and (b) Borrowings from external sources are utilised to finance investment programmes and foreign exchange requirements. These borrowings are from bilateral sources, multilateral financial agencies like the World Bank, Asian Development Bank and IMF and International Capital markets. Borrowings from the World Bank can be undertaken for financing of projects, sector programmes and for structural adjustment programme India has borrowed from the World Bank for specific projects. Discussions with the World Bank for identification, appraisal and negotiations of projects is a continuous process Recently the rise in oil prices due to development in Gulf area has accentuated the already considerable strain on the Balance of Payments In this context, discussions are being held with the IMF to explore the possibility of drawing resources available to member countries in particular from the Compensatory and Contingency Financing Facility (CCFF).

Irregularities in sanctioning loans by UCO Bank Management

93. SHRI GURUDAS DAS GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the complaints of alleged irregularities in sanctioning of loans by UCO Bank management;

(b) if so, what are the details thereof and what action has been taken thereon;

(c) what is the loss shown in balance sheet of UCO Bank for the year 1989-90; and

(d) what steps have been taken to restore the health of the bank?